GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

Proh. & Excise/APSBCL- Foreign Liquor brands –Revision of Assessable values – Orders- Issued.

Revenue (Excise) Department

G.O.Ms.No.557

Dated:17.11.2023.
Read the following:-

1. Representation of M/s Pernod Ricard India Pvt.Ltd., dt.05-08-2022 and 16-09-2022
2. Representation of M/s Angel Champagne LLP ., dt. 06-9-2022
3. e-Procurement Notification No. APBCL/FL/2013-14, Dt:08-11-2013.
4. Tender Committee Recommendations on fixation of Assessable Values for Foreign Liquor brands for the year 2013-14, dt.20-03-2014.
5. G.O.Ms.No.15 Rev (Excise-II) Dept., dt.24-01-2015.
6. e-Offer Notification No.P&ED/APSBCL/FL/2017-8/1, Dt.06-01-2018.
7. Memo No.25445/Ex-II(2)/2013, dt.08-02-2018.
8. G.O.Ms.No.66 Rev(Excise) Dept., dt.16-03-2021.
9. Lr.No.APSBCL/Tender Committee/2021-22, dt.22-02-2022.
10. G.O.Ms.No.700, Rev(Excise) Dept., dt.07-11-2022.
11. Lr.No.K/FL/AV/2022-23,Dt.14-02-2023 and Lr.No.APSBCL/FL/TC Report/2023-24, Dt.19-06-2023.

<<<>>>

O R D E R:

The Government by its avowed policy is committed to reduction in the consumption levels of alcohol in the state with a view to improve the physical standards of the people. Several proactive steps have been taken by the government in this direction. Notable among them are removal of 43000 Belt shops, removal of private persons from retailing of liquor, dispensing with permit rooms, reduction in number of retail outlets, reduction in maximum possession limit of liquor, enhancing punishments for Excise related offences, entrustment of retail trade in liquor to APSBCL etc. The APSBCL has been procuring Foreign Liquor brands for sale in the State of Andhra Pradesh keeping in view the policy objectives of the Government.

2. In the reference 11th read above, the Commissioner of Distilleries and Breweries & Managing Director, A.P State Beverages Corporation has submitted report stating that most of the Foreign Liquor suppliers have not renewed their brands for the current year 2023-24 due to long pending revision of Assessable Values of their brands. The Assessable Values have not been revised for the past (10) Years. Therefore, the suppliers have represented vide references 1st and 2nd read above, that the Assessable Values in Andhra Pradesh are the lowest when compared to the neighbouring States and requested to increase the Assessable values.

P.T.O.

3. It is also reported that the Tender Committee headed by Retd. Justice A.Gopala Reddy, after taking note of the representations of the Foreign Liquors suppliers for revision of long pending Assessable Values and also keeping in view of avowed policy of Government has recommended the following:

1) The "Assessable Values" of Foreign Liquor brands may be considered as per the offered price of the Foreign Liquor suppliers and let the market forces decide based on the competitive pricing in the market.

2) The "Customs Duty" as per "bill of entry" as on the date of approval may be considered for deriving MRPs.

3) The Assessable Values and Customs Duties may be reviewed in every subsequent year while renewing labels during the month of April.

4) The Assessment Fee on Assessable Value of Foreign Spirits may be revised appropriately so as to maintain MRPs of Foreign Liquor brands on par or nearest with the neighbouring States to control infiltration there by saving Government revenue.

4. The Commissioner of Distilleries and Breweries & Managing Director, A.P State Beverages Corporation Limited has also submitted that the cost of Scotch malts for blended and single malts and other spirits have seen considerable increase in the recent past by 30-40%, the depreciation in INR over the past few years has been substantial and there is a considerable increase in transit cost including freight which has led suppliers to prefer supply to other markets which are more remunerative rather than APSBCL. In view of the above, the CDB & MD, APSBCL has requested to consider the representation of the FL suppliers.

5. After careful examination of the matter, the Government in continuation of the orders issued in reference 5th read above hereby issue the following orders in respect of existing and new FL brands.

3. Existing Brands:-

a) Spirits/Wines/Beer - 20% Increase or offered rate, whichever is lower.

b) The "Customs Duty" as per "bill of entry" as on the date of approval for deriving MRPs.

c) The Assessable Values and Customs Duties shall be reviewed in every subsequent year while renewing labels during the month of April, as per the request of the FL Suppliers.

Contd...3.

d) The Assessment Fee on Assessable Value of Foreign Spirits shall be revised appropriately with the permission of the Government so as to maintain MRPs of Foreign Liquor brands on par or nearest with the neighbouring States to control infiltration thereby saving Government revenue.

4. New Brands:

a) Newly introduced in AP but already in existence in other States of the Country – Assessable Values in the neighbouring States or offered rate, whichever is lower.

b) Offered for the first time in AP only and not available in any other State in the Country – to compare with Assessable Values of equivalent brands in existence in the State or the offered rate, whichever is lower.

c) If such comparison is not possible, the offered rate may be accepted in view of non-availability of accurate data in arriving at Assessable Value and leave it to the market forces and customers choice.

6. These orders shall come into force with effect from 17.11.2023.

7. The Commissioner of Distilleries and Breweries & Managing Director, A.P State Beverages Corporation Limited / Commissioner of Prohibition and Excise, AP, Vijayawada shall take necessary action in the matter accordingly.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

Dr. RAJAT BHARGAVA
SPECIAL CHIEF SECRETARY TO GOVERNMENT

To
The Commissioner of Distilleries and Breweries & Managing Director,
A.P. State Beverages Corporation Limited, Vijayawada.
The Commissioner of Prohibition & Excise, A.P., Vijayawada.

Copy to:
The PS to Principal Secretary to CM.
The PS to Deputy Chief Minister (Excise).
The PS to Spl. C.S. to Govt., Revenue (P&E) Department.
SF/SC.

//FORWARDED::BY ORDER//

S.E. Aravind

SECTION OFFICER